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Special:

Circular Letter

TO: COUNTY SUPERINTENDENTS OF SCHOOLS AND INDIVIDUAL SCHOOL DISTRICTS

SUBJECT: REPORTING OF WORKERS' COMPENSATION TEMPORARY DISABILITY PAYMENTS

Some employers have asked for clarification of CalPERS' prior Circular Letter, 200-209-05, regarding Temporary Disability (TD) payments. The California Public Employees' Retirement System (CalPERS) realizes that the California Education Code and the Government Code (GC) are not consistent in defining reportable compensation for retirement purposes. CalPERS must adhere to the statutory provisions of the Government Code.

Only Workers' Compensation TD payments for safety members, pursuant to Labor Code Section 4800 and 4850, are reportable to CalPERS under GC Section 20630. All other Workers' Compensation TD payments and any other temporary disability payments, for school members, do not meet the definition of "compensation" as outlined in the GC Section 20630 and should not be reported to CalPERS. In addition, Workers' Compensation or TD payments turned over to the employer for a "normal" paycheck do not meet the criteria and should not be reported to CalPERS.

Time off using leave credits (i.e., vacation and sick leave) to supplement the difference between the Workers' Compensation TD payment and full pay is reportable to CalPERS for school members. Leave credits should be reported using the member's normal pay rate.

CalPERS expects compliance prospectively. If you have any questions, please contact our Employer Contact Center at (888) CalPERS (225-7377).

Lori McGartland, Acting Chief
Actuarial and Employer Services Branch